

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

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In re:	:	
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THE FINANCIAL OVERSIGHT AND	:	PROMESA
MANAGEMENT BOARD FOR PUERTO RICO,	:	Title III
	:	
as representative of	:	Case No. 17-BK-3283 (LTS)
	:	
THE COMMONWEALTH OF PUERTO RICO <i>et al.</i> ,	:	(Jointly Administered)
	:	
Debtors. ¹	:	
	X	

**URGENT MOTION OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR
EXPEDITED CONSIDERATION OF URGENT MOTION OF OFFICIAL COMMITTEE
OF UNSECURED CREDITORS FOR ORDER, UNDER BANKRUPTCY RULE 2004,
AUTHORIZING DISCOVERY CONCERNING BOND TRADING**

To the Honorable United States District Judge Laura Taylor Swain:

The Official Committee of Unsecured Creditors of all Title III Debtors (other than COFINA and PBA) (the “Committee”) hereby files this urgent motion (the “Urgent Motion”) requesting entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), for expedited consideration of the *Urgent Motion of Official Committee of Unsecured Creditors for Order, Under Bankruptcy Rule 2004, Authorizing Discovery Concerning Bond*

¹ The Debtors in these Title III cases, along with each Debtor’s respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566 (LTS)) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808), (iv) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523 (LTS)) (Last Four Digits of Federal Tax ID: 3801).

Trading (the “2004 Motion”).² In support of this Urgent Motion, the Committee respectfully represents as follows:

JURISDICTION AND VENUE

1. The United States District Court for the District of Puerto Rico has subject matter jurisdiction over this matter pursuant to section 306(a) of PROMESA.³

2. Venue is proper pursuant to section 307(a) of PROMESA.

3. The statutory bases for the relief requested herein are section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9006, made applicable to these Title III cases by sections 301(a) and 310 of PROMESA, Rule 9013-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the District of Puerto Rico (the “Local Rules”), and the *Thirteenth Amended Notice, Case Management and Administrative Procedures* [ECF No. 13512-1] (the “Case Management Procedures”).

RELIEF REQUESTED

4. By this Urgent Motion, the Committee respectfully requests entry of the Proposed Order: (a) setting **6:00 p.m. (AST) on Wednesday, October 21, 2020** as the deadline to file objections or responses to the 2004 Motion; and (b) setting **10:00 p.m. (AST) on Friday, October 23, 2020** as the Movants’ deadline to file replies in further support of the 2004 Motion. The Committee also requests that the Court consider the 2004 Motion at the omnibus hearing scheduled for **October 28, 2020**. As detailed below, the Committee believes that the proposed expedited schedule is appropriate under the circumstances.

² All capitalized terms used but not defined herein have the meanings ascribed to such terms in the Procedures Motion.

³ References to PROMESA are references to 48 U.S.C. §§ 2101 *et. seq.*

BASIS FOR RELIEF REQUESTED

5. Bankruptcy Rule 9006(c)(1) provides that “the court for cause shown may in its discretion with or without motion or notice order the period [for notice] reduced.” Further, Local Rule 9013-1(a) allows a party to request “an order on an expedited basis.” Cause exists to schedule the Procedures Motion on an expedited basis.

6. On October 5, 2020, National Public Finance Corporation (“National”) filed its Motion for Entry of an Order Directing Independent Investigation [ECF No. 14450] (the “National Motion”). At the time of filing the National Motion, the Committee had already determined to conduct some form of limited investigation into the trading activities of the Bondholder Groups, but had not yet filed a motion or application seeking such relief.

7. The Committee filed a limited joinder to the National Motion on October 10, 2020 [ECF No. 14527] (the “Committee Joinder”).

8. The Court will hear the National Motion and the Committee Joinder at the Omnibus Hearing scheduled for **Wednesday, October 28, 2020** (the “October Omnibus”).

9. Expedited consideration of the 2004 Motion at the October Omnibus is appropriate under the circumstances here.

10. As discussed in more detail in the 2004 Motion, the Committee seeks to conduct Rule 2004 discovery concerning Bondholder Groups’ trading of the Debtors’ securities during the pendency of the Title III process. The 2004 Motion, the Committee Joinder, and the National Motion relate to the integrity of the Title III process. Additionally, each seeks relief relating to the examination of trading in the Debtors’ securities during the pendency of the Title III process.

11. Pursuant to Section I-H of the Case Management Procedures, undersigned counsel certifies that it has engaged in reasonable, good-faith communications with counsel to the

Oversight Board and the Bondholder Groups but has been unable to obtain the consent to this Urgent Motion. Counsel for the Ad Hoc Group of General Obligation Bondholders has indicated that it does not agree with the relief sought in this Motion or the underlying motion for discovery. Moreover, in accordance with Local Bankruptcy Rule 9013-1(a)(2), undersigned counsel certifies that counsel has carefully examined the matter and concluded that there is a true need for an urgent hearing, and that the movant has not created the urgency through lack of due diligence on its part. The undersigned further certifies that movant made a bona fide and good faith effort to resolve the matter without a hearing.

NOTICE

12. Notice of this Urgent Motion has been provided to the following entities, or their counsel, if known: (i) the U.S. Trustee; (ii) the Office of the United State Attorney for the District of Puerto Rico; (iii) the Oversight Board; (iv) the Puerto Rico Fiscal Agency and Financial Advisory Authority; (v) the Official Committee of Retirees; (vi) the insurers of the bonds issued or guaranteed by the Debtors; (vii) counsel to certain ad hoc groups of holders of bonds issued or guaranteed by the Debtors; and (viii) all parties that have filed a notice of appearance in these Title III cases.

NO PRIOR REQUEST

13. No previous request for the relief requested herein has been made to this or any other court.

WHEREFORE, the Committee respectfully requests that the Court enter the proposed order attached hereto as **Exhibit A** expediting consideration of the 2004 Motion and granting such other relief as the court deems just and proper.

Dated: October 17, 2020

Respectfully Submitted,

John Arrastia

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- and -

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*Local Counsel to Official Committee of
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CERTIFICATE OF SERVICE

I hereby certify that on October 17, 2020, I caused the foregoing document to be electronically filed with the Clerk of the Court for the United States District Court for the District of Puerto Rico by using the CM/ECF system, which sent notification of such filing to all CM/ECF participants (which is incorporated herein by reference).

By: John Arrastia
John Arrastia, Esq.

EXHIBIT A

Proposed Order

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

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In re: :
THE FINANCIAL OVERSIGHT AND :
MANAGEMENT BOARD FOR PUERTO RICO, : PROMESA
: Title III
: as representative of : Case No. 17-BK-3283 (LTS)
: THE COMMONWEALTH OF PUERTO RICO *et al.*, : (Jointly Administered)
: Debtors.¹ :
----- X

**ORDER EXPEDITING CONSIDERATION OF URGENT MOTION OF OFFICIAL
COMMITTEE OF UNSECURED CREDITORS FOR EXPEDITED CONSIDERATION
OF URGENT MOTION OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS
FOR ORDER, UNDER BANKRUPTCY RULE 2004, AUTHORIZING DISCOVERY
CONCERNING BOND TRADING**

Upon the *Urgent Motion of Official Committee of Unsecured Creditors for Expedited Consideration of Urgent Motion of Official Committee of Unsecured Creditors for Order, Under Bankruptcy Rule 2004, Authorizing Discovery Concerning Bond Trading* (the “2004 Motion”). (the “Urgent Motion”),² and the Court having found and determined that: (i) the Court has jurisdiction to consider the Urgent Motion and the relief requested therein pursuant to section 306 of PROMESA; (ii) venue is proper before this Court pursuant to section 307(a) of PROMESA;

¹ The Debtors in these Title III cases, along with each Debtor’s respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566 (LTS)) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808), (iv) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523 (LTS)) (Last Four Digits of Federal Tax ID: 3801).

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Urgent Motion.

(iii) cause exists to shorten the notice period as requested in the Urgent Motion; (iv) due and proper notice of the Urgent Motion has been provided under the particular circumstances and no other or further notice need be provided; (v) any objections to the relief requested in the Urgent Motion having been withdrawn or overruled; and (vi) after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Urgent Motion is GRANTED as set forth herein.
2. On or before **6:00 p.m. (AST) on October 21, 2020**, parties in interest may file an objection to the 2004 Motion.
3. On or before **10:00 a.m. (AST) on October 23, 2020**, the Committee may file a reply in support of the 2004 Motion.
4. The Court will entertain the 2004 Motion at the October Omnibus, scheduled to take place on **October 28, 2020**.
5. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.
6. The Committee is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.
7. The Court retains jurisdiction over any disputes relating to the interpretation or implementation of this Order.

Dated: October __, 2020

HONORABLE LAURA TAYLOR SWAIN
UNITED STATES DISTRICT JUDGE